

OPTIMUMBANK

Chairman of the Board's Letter to Shareholders

Moishe Gubin, Chairman of OptimumBank



Dear Valued Shareholders,

It is with great enthusiasm that I extend this letter to you as we approach our annual shareholder meeting on April 29, 2025. This year's meeting will be a hybrid event, welcoming attendees to our South Florida headquarters and offering a virtual platform for our global investors. I am eager to share our very strong accomplishments of 2024 and our strategic vision for continued growth in 2025. Register to join via the live stream at <https://app.webinar.net/a8gnjA6pvYE>

2024 was a record-breaking year for OptimumBank. We are committed to maximizing shareholder value and are well-positioned for continued income growth in 2025. Since 2010, our Board has worked together to support management in assembling a strong, values-driven team that understands our customers and has the strength and ability to sustain our growth. Their leadership and dedication have brought OptimumBank to nearing the \$1 billion asset milestone, with the talent and momentum to propel us toward \$2 billion in the near future.

2024 was a landmark year for OptimumBank, marking the most successful period in our history. Our unwavering commitment to delivering exceptional shareholder returns has driven our remarkable performance. We concluded the year with a 59% increase in pre-tax, pre-provision earnings¹, surging from \$12,504,000 in 2023 to \$19,852,000 in 2024. This growth is a testament to our disciplined financial management and strategic initiatives.

Our net interest margin (NIM) reached an impressive 3.83%, reflecting our ability to maintain strong loan pricing spreads. This performance was achieved without reliance on one-time income events, underscoring the sustainability of our growth trajectory.

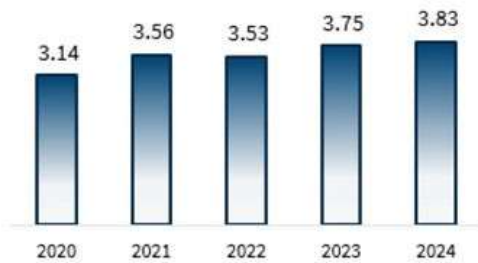
¹ Non-GAAP measure

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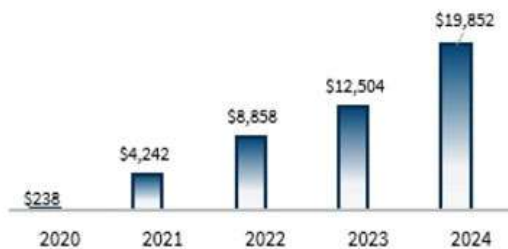
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NET INTEREST MARGIN



PRE-TAX, PRE-PROVISION EARNINGS²



In 2024, we expanded our physical footprint with the opening of our third branch in North Miami Beach. While mindful of the associated expenses, we are confident that this strategic expansion will significantly enhance our market presence, particularly among small businesses.

While branch banking remains a focus for OptimumBank, we continue to make giant strides in improving customer experience through new technology. Our focus remains on assuring the best possible customer experience in the industry. Presently, our treasury management team is in the process of upgrading their technology suite with the implementation of new software that will help automate many aspects of our ACH process, permitting us to service our commercial customers more vigorously. We expect to roll out many of these new capabilities later this year.



² Non-GAAP measure

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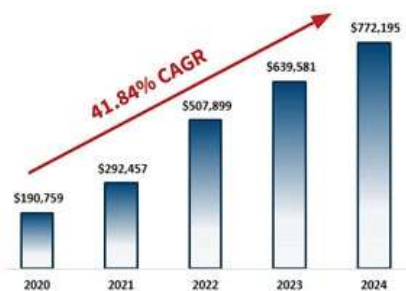
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This year, we are implementing the ability for customers to begin the account opening process online, though a human reviewer will still be involved to ensure compliance and security. We anticipate this feature will be available within the next 12 months. Additionally, we recently updated our website and are continuing to add new features. While improvements are ongoing, the site is designed to provide a more streamlined experience for customers.



Amidst the turbulence in the US banking sector during 2023, OptimumBank demonstrated exceptional resilience. In the span of five years, OptimumBank has achieved a 42% compound annual growth rate (CAGR) in deposits, growing from \$191 million in 2020 to \$772 million in 2024. More recently, our deposits grew by nearly 21% from year end 2023 to year end 2024, growing from \$640 million to over \$772 million. OptimumBank was proactive in joining the IntraFi network, which can provide up to \$275 million per customer in FDIC insurance coverage, further reinforcing our commitment to safeguarding our customers' assets. We have been thrilled with the partnership with IntraFi and routinely hear from our customers how secure they feel banking with OptimumBank because of it.

TOTAL DEPOSITS



Above, we highlighted how our treasury management team is working to implement new software to enhance ACH automated processing capability. OptimumBank is one of a small handful of banking institutions that serves the merchant cash advance (MCA) industry. We are the only bank to join the Revenue Based Finance Coalition, the industry's lobbying organization. This industry provides us with access to over \$126 Million of primarily noninterest bearing deposits. Our ability

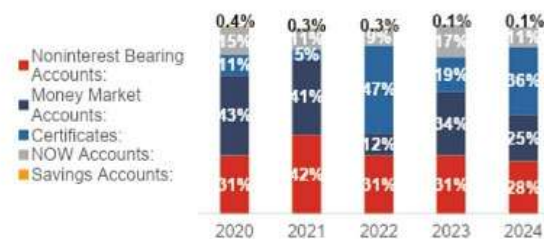
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to grow these deposits is predicated on offering ACH technology that automates much of the work we previously did manually. With the implementation of new software to automate this process, we are confident we can grow this business vertical multifold.

The breakdown of all deposits as of 12/31/2024 includes 37% in CDs, 25% in money market accounts, 27% in noninterest bearing accounts, and 11% in NOW accounts. As of 12/31/2024, our average core deposit account³ is just over \$108,000.

COMPOSITION BY DEPOSIT TYPE, 2020-2024



Many of you know that I am the CEO and Chairman of Strawberry Fields REIT (STRW), a publicly traded REIT on the NYSE American, which owns over \$1.3 Billion of healthcare properties. OptimumBank director Michael Blisko and I have worked together for more than 20 years in that business. As a fellow board member, Michael also helps provide us with a level of expertise in this business vertical. With our knowledge of some of the pressure points that operators in skilled nursing can experience, we created a lending product to benefit this industry. In the last few years, we have increased our Skilled Nursing Facility (SNF) Accounts Receivable lending program, focused on government receivables, to now include a dedicated lender. At the end of 2024, OptimumBank holds twenty SNF loans with outstanding total commitments of nearly \$44 million. We are emerging as a leader in this space and expect the size of this segment of the loan portfolio to grow significantly by the end of 2025.

³ Excludes listing service and brokered deposits

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In 2024, our total income reached \$39.31 million, reinforcing our strong financial position. Pre-tax, pre-provision earnings⁴ were \$19.85 million, representing 2.14% of average assets. After accounting for a \$2.22 million provision for credit losses and \$4.51 million in income taxes, our net income for the year was \$13.12 million.

EARNINGS ANALYSIS

EARNING STATEMENT 2024	2024
Net Interest Income	34,690
Credit loss expense	(2,222.0)
Non interest income	4,623
Non interest expense	(19,460)
Net income before taxes	17,631
Income tax expense	(4,507)
Net income	13,124
Pe-tax, pre-provision earnings ⁴	19,852
% of average assets	2.14%
Loan Yield	6.90%
Deposit Cost	2.91%
Net interest margin	3.83%
ROAA	1.42%
ROAE	15.30%
Core return on average assets ⁽⁴⁾	2.14%
Core return on average equity ⁽⁴⁾	23.12%
Efficiency ratio	49.50%

⁴Non-GAAP measure

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Similar to our deposit growth, in the last five years, OptimumBank has experienced a compound annual growth rate (CAGR) of 51% growth in lending, starting with a loan base of just \$154 million as of December 31, 2020. More recently, our total loans have grown from \$680 million at the end of 2023 to \$804 million at the end of 2024, over an 18% growth rate.



OptimumBank's success is built upon the bedrock of our community relationships. Our customers are our strongest advocates, with many new borrowers joining us through personal referrals. This trust is our greatest asset. While our reputation has historically driven growth, we are strategically expanding our reach. We've added dedicated expertise in investor relations and marketing, and our employees actively engage in community and industry events, reinforcing our commitment to the markets we serve. This powerful combination fuels our continued expansion and lending growth.

In 2024, net interest income increased by \$11 million or 46% over 2023. In total, net interest income in 2024 was \$34.7 million. OptimumBank ended 2024 with total assets of \$933 million, as compared to \$791 million for the prior year, which represents growth of \$142 million or 18%. The

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increase in total assets during 2024 was mainly driven by growth of \$124 million in loans. Our outstanding performance has attracted significant institutional interest. We were honored to participate in prestigious industry events hosted by Janney Montgomery Scott and Keefe, Bruyette & Woods, two of the most respected investment banks in the United States. While attending these events, we met with market leading investors and now count four of the most dominant and well-known bank investors in the industry, as part of our shareholder base. All four of these investors have decades of experience, made multi-million-dollar investments, and now serve as a tremendous sounding board for new ideas to enhance shareholder value. We are committed to strategic capital raises to fuel further expansion, enhance our market capitalization, and improve stock liquidity. OptimumBank is well capitalized, ensuring we have the resources to capitalize on growth opportunities. Current shareholders interested in participating in future funding rounds are encouraged to contact our Managing Director of Investor Relations, Seth Denison, at SDenison@OptimumBank.com.

BALANCE SHEET	2022	2023	2024
Cash	19,788,000	14,009,000	13,982,000
Interest Bearing Deposits & Fed Funds	52,048,000	62,654,000	79,648,000
Investments & Securities	26,242,000	28,069,000	25,983,000
Loans, Net	477,218,00	671,094,00	794,985,000
Other Assets	9,923,000	15,428,000	18,335,000
Total Assets	585,219,00	791,254,00	932,933,000
Deposits	507,899,00	639,581,00	772,195,000
Borrowings	10,000,000	75,600,000	50,000,000
Other Liabilities	4,740,000	6,066,000	7,554,000
Total liabilities	522,639,000	721,247,00	829,749,00
Shareholders Equity	62,580,000	70,007,000	103,184,000

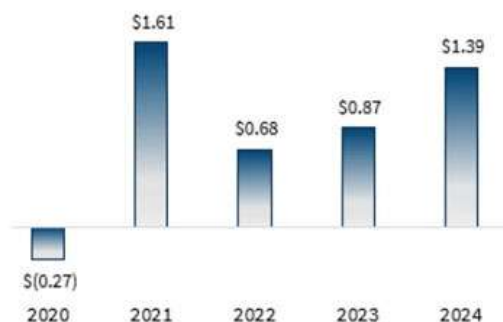
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As of December 31, 2024, we had 11,636,092 common shares outstanding, resulting in Basic Earnings Per Share (EPS) of \$1.39. During 2024, our common shares increased by 4,385,873. We also issued 525,641 Series C preferred convertible shares to an institutional investor, which, upon conversion, would bring our diluted EPS to \$1.33. In addition to these shares, we have 11,113,889 Series B preferred shares outstanding. If these Series B preferred shares were converted into common stock, the fully diluted EPS would be \$0.56⁵. Our equity growth, from \$70 million to over \$103 million, is attributed to proceeds from stock issuance and the year's net income.

EARNINGS PER SHARE BASIC



Reflecting on our journey, I am immensely proud of the formidable enterprise we've built at OptimumBank. My experience has underscored the critical distinction between managing operations and cultivating a strong capital market presence. As Chairman, I am deeply committed to both, investing significant resources in investor education and outreach.

⁵NON-GAP disclosure, fully diluted share consist of 11,636,092 common shares outstanding plus 525,641 Series C Convertible Preferred can be converted into one share of common stock at any time at the option of the holder, and if 11,113,888 Series B Preferred shares converted to common shares at the option of the Company, subject to the prior fulfillment of the following conditions: (i) such conversion shall have been approved by the holders of a majority of the outstanding common stock of the Company; and (ii) such conversion must not result in any holder of the Series B Preferred Stock and any persons with whom the holder may be acting in concert, becoming the beneficial owners of more than 9.9% of the outstanding shares of the Company's common stock, unless the issuance, shall have been approved by all banking regulatory authorities whose approval is required for the acquisition of such shares.

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We've meticulously fortified our fundamentals, and after years of dedicated effort, OptimumBank stands as a thriving institution with an exceptional reputation. The numbers speak for themselves: In the last five years, we have achieved a \$19.6 million increase in core pre-tax, pre-provision income, \$581 million growth in deposits, \$649 million loan expansion, 46 new team members, and a new location in North Miami Beach.

OptimumBank's foundation is rock-solid. Our focus now is to amplify our story, ensuring the capital markets recognize our current strength and potential. We are actively engaging with institutions, investors, and analysts, and we will continue to elevate our goals, driving sustained value for our shareholders.

Looking forward to your participation at the annual shareholder meeting.



Moishe Gubin, Chairman

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